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BEFORE THE ARIZONA CORPORATI

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IN THE MATTER OF:

4

SAM BOYLES,

5

Complainant,

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v.

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CAMP VERDE WATER SYSTEM, INC.,

8

Respondent.

DOCKET NO.

W-01419A-09-0392

PROCEDURAL

CONFERENCE

9

10 At: Phoenix, Arizona

11 Date: October 13, 2009

12 Filed: OCT 27 2009

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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Arizona Corporation Commission

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Corporation Commission, in Hearing Room 1 of said
4 Commission, 1200 West Washington Street, Phoenix, Arizona,
5 commencing at 10:00 a.m., on the 13th day of October,
6 2009.

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8 BEFORE: YVETTE B. KINSEY, Administrative Law Judge

9

10 APPEARANCES:

11 For the Complainant:

12 In Propria Persona
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15 For the Respondent:

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19 For the Arizona Corporation Commission Staff:

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24 KATE E. BAUMGARTH, RPR
25 Certified Reporter
Certificate No. 50582

1 ALJ KINSEY: Good morning. I'm Administrative
2 Law Judge Yvette Kinsey, and this is the time set for the
3 procedural conference on the complaint filed by Sam Boyles
4 against Camp Verde Water System, Inc. This is Docket
5 No. W-01419A-09-0392.

6 May I have appearances for the record?

7 MS. NALLY: Good morning. My name is Karen Nally
8 with the law firm of Karen Nally appearing on behalf of
9 respondent, Camp Verde Water System.

10 ALJ KINSEY: Thank you.

11 MS. NALLY: Thank you.

12 ALJ KINSEY: Go ahead.

13 MR. BULLARD: Stan Bullard, Camp Verde vice
14 president.

15 ALJ KINSEY: Thank you, Mr. Bullard.

16 And for the complainant?

17 MR. BOYLES: Sam Boyles, president of Northeast
18 Industries.

19 ALJ KINSEY: And for Staff?

20 MS. VOHRA: Good morning, Your Honor. Ayesha
21 Vohra for Staff with Brad Morton.

22 ALJ KINSEY: Thank you. I wanted to call the
23 procedural conference this morning because I was unclear
24 from the pleadings whether or not this had gone through
25 the informal complaint process.

1 MR. MORTON: Brad Morton for Staff, Your Honor.
2 They were offered a mediation and the company declined.

3 ALJ KINSEY: And when you say "the company," that
4 was Camp Verde?

5 MR. MORTON: Camp Verde Water, yes.

6 ALJ KINSEY: And when did that take place,
7 Mr. Morton?

8 MR. MORTON: If I believe correctly that was
9 around August of this year.

10 ALJ KINSEY: All right. Thank you.

11 MS. NALLY: Your Honor, may I?

12 ALJ KINSEY: Yes.

13 MS. NALLY: Thank you. What originally happened
14 was that Mr. Boyles had contacted the company, I believe,
15 in October or November of last year. I had gotten
16 involved with the issue, and because he had actually
17 contacted an attorney and had the attorney forward a
18 letter to Camp Verde, we responded. Then Mr. Boyles
19 waited a few -- we never received a response to that
20 letter.

21 Mr. Boyles then went ahead and waited a few
22 months then contacted the Commission and filed an informal
23 complaint with the Commission. We did respond to that as
24 well. We never received a response to that informal
25 complaint response.

1 Mr. Morton also was involved in that. He did
2 contact Mr. Boyles a number of times, and he never
3 received a response from Mr. Boyles. And I believe that
4 is when Mr. Morton -- we had discussed that -- he had
5 called me as well and asked me if I had received a
6 response. We had corresponded back and forth. So
7 Mr. Boyles did not avail himself of contacting us on a
8 number of occasions.

9 So then Mr. Morton did talk to me about an
10 informal mediation. I did speak with my client. We
11 talked about it. We weren't sure there was any avenues
12 left to explore because Mr. Boyles did not contact us on a
13 number of occasions with the letter, with the informal
14 complaint, and did not contact Mr. Morton to follow up.

15 So that was where we were coming from because of
16 Mr. Boyles' lack of response on those number of avenues.

17 ALJ KINSEY: Okay. And, Mr. Morton, just fill me
18 in on how the informal process normally happens.

19 MR. MORTON: A customer will contact our office
20 either by correspondence, e-mail or by telephone and
21 express a concern that they feel a utility company has
22 perhaps mistreated them in some manner. Mr. Boyles had
23 contacted me, and if I am correct, we did some faxing or
24 e-mailing of documents to support his claim. We sent that
25 to the utility. The utility then has five business days

1 per Arizona law to respond.

2 The utility did respond, and we had much
3 interaction between the Commission and Mr. Boyles, who I
4 believe travels a lot. So I would leave a phone message,
5 and it would be maybe a couple weeks and then I would get
6 a response.

7 And we finally reached a point where we felt the
8 informal complaint was not accomplishing anything, and so
9 at that point is where we mentioned his next step would be
10 mediation followed by a formal complaint if the mediation
11 wasn't successful.

12 ALJ KINSEY: So the parties were never able to
13 get together for the mediation?

14 MR. MORTON: Correct.

15 ALJ KINSEY: Mr. Boyles, do you have anything
16 that you would like to add to that dialogue that we just
17 had?

18 MR. BOYLES: Yeah. Myself and my son met Stan at
19 a store in Camp Verde. We were walking in and he was
20 walking out. I told him at the time -- I told Stan, we
21 have to get this water thing over with. I said, give me a
22 call at my office and we can talk, and I have never heard
23 from him. But I noticed in the letter from the lawyer she
24 reversed it; that it was Stan that went after us. That
25 isn't true. We talked to Stan walking into the store. I

1 told Stan, if you get a chance when you get back to the
2 office, call me and I will come down there.

3 ALJ KINSEY: Tell me what your recollection is
4 involving the informal process that Mr. Morton and
5 Ms. Nally talked about.

6 MR. BOYLES: I don't remember. I remember
7 calling Mr. Morton several times. Like I said, I was
8 doing a job in Ohio at the time, and we travel back and
9 forth. We played phone tag quite a few times. I mean, I
10 called the last time about when the hearing was going to
11 be, if we could have settled it; otherwise, if I knew
12 about it, I would have.

13 ALJ KINSEY: Well, I believe that is what
14 Mr. Morton was talking about earlier, trying to see if the
15 issues could be mediated even before we got here.

16 And if it is possible, I would like for you all
17 to sit down and discuss with Staff the issues that are
18 involved and see if you can mediate this before we go to a
19 hearing.

20 It appears that there has been a lot of
21 cross-communications, but none of them have been very
22 targeted. Now that we know what is going on, what I will
23 order you all to do is to go ahead and engage in
24 settlement discussions, mediations, Mr. Boyles, if
25 possible, and in 30 days to go ahead and file a joint

1 filing updating me on where the settlement negotiations
2 are. That would be by November 13th. In that joint
3 filing, not only tell me how the settlement discussions
4 went, but if we are looking at a hearing, some proposed
5 dates for a hearing when everyone is available.

6 So is that agreeable?

7 MS. NALLY: Yes, Your Honor.

8 ALJ KINSEY: Okay. Mr. Boyles?

9 MR. BOYLES: Yes.

10 ALJ KINSEY: And for Staff?

11 MS. VOHRA: Yes, Your Honor.

12 ALJ KINSEY: Okay. And is there anything else
13 that we need to discuss while we are here?

14 Can you also put in the joint filing any time
15 line that you may think you may need for discovery
16 purposes, if you feel that that is necessary.

17 MS. NALLY: Your Honor, if my client could
18 respond to what Mr. Boyles stated regarding the
19 discussion.

20 ALJ KINSEY: Certainly.

21 MR. BULLARD: My understanding when we crossed
22 paths was that Mr. Boyles was going to contact me when he
23 had an opportunity to do that. So that is different than
24 what he understood. But then my understanding was that he
25 was going to contact me, and I never received any contact

1 back from him.

2 ALJ KINSEY: And, Mr. Bullard, that is exactly
3 why I want you all to engage in some settlement
4 discussions because I believe that you both could probably
5 benefit from hearing what the other one has to say. And
6 with Staff's help I think that the issues probably can be
7 mediated. So I want you all to give it a good shot and
8 see what you can come up with and update me within
9 30 days.

10 Ms. Nally?

11 MS. NALLY: Yes, Your Honor. Thank you.

12 ALJ KINSEY: All right. Thank you. And we will
13 end today and hopefully I will hear that you settled, and
14 if not, we will set it for hearing. Thank you very much
15 for coming.

16 MS. NALLY: Thank you.

17 (The hearing concluded at 10:09 a.m.)

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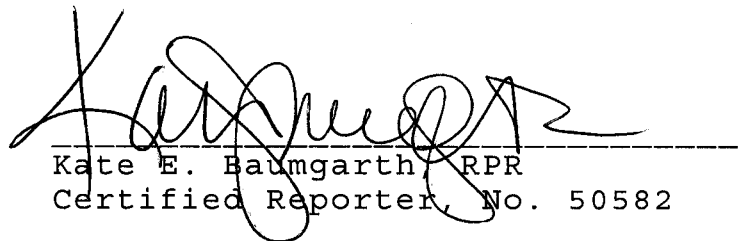
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1 STATE OF ARIZONA)
2) ss.
3 COUNTY OF MARICOPA)
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11 foregoing matter, all done to the best of my skill and
12 ability.
13

14 WITNESS my hand this 22nd day of October, 2009.
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Kate E. Baumgarth, RPR
21 Certified Reporter, No. 50582
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